



PRE-TAX PARKING FEE PROGRAM

In accordance with Internal Revenue Code Section 132(f)(4)
And Public Law 105-178

Effective June 1, 1999

PRE-TAX PARKING FEE PROGRAM

About the program.....

What is the DGS Pre-Tax parking program?

The Department of General Services is establishing the pre-tax parking program effective June 1, 1999, in accordance with Code Section 132(f)(4), The Transportation Equity Act for the 21st Century. Program contributions pay participants fees for parking before taxes are taken out of the employee's paycheck each payday. Gross pay, as reflected on the employee's earnings notice will not change, however the employee's annual W-2 will reflect a reduction in taxable earnings reported.

Who is eligible to participate in the program?

Employees of a State agency who pay for use of parking facilities provided by the DGS Parking Services program through payroll deduction are eligible to participate in the program.

When may I begin participating in the program?

All eligible employees hired before June 1, 1999 who elect to join the program during the initial enrollment period may begin participating in the Program effective June 1, 1999. Eligible employees hired on or after June 1, 1999, or those eligible employees who do not elect to participate during the initial enrollment may participate in the Program at any time by submitting a completed parking enrollment form to their respective agency's payroll or human resources office. Employees who terminate participation in the Program may re-enroll by completing a parking enrollment form at any time.

Participation must begin on the 1st or 16th of the month and be effective the 1st or 16th of the month following the next payday after form submission. Retroactive participation and adjustments will not be permitted. Enrollment forms for the Program are available from the DGS Parking Services Office.

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How are Program contributions made?

Participants pay contributions to the Program through payroll deduction. Participants complete a parking enrollment form that allows their salary to be reduced by the parking fees charged by the DGS Parking Services Program.

When fees charged for the parking facilities assigned to the participant change (either increase or decrease), the amount of pre-tax parking will automatically change.

What happens to my program contributions if I terminate employment?

Participation ends upon termination of employment.

What happens if I wish to discontinue participation in the Program?

Participants may discontinue participation in the Program at any time by submitting a parking enrollment form to their respective payroll or human resource office. Parking enrollment forms are due in the payroll office prior to the beginning of the pay period in which the salary reduction is to end.

May the terms of the Program be changed?

While it is expected that the Program will continue indefinitely, provided the Program is allowed by law, DGS reserves the right to modify or discontinue the Program at any time. DGS will exercise good faith, apply standards of uniform application, and refrain from arbitrary actions.

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What benefit does an employee receive from participating in the program?

Employees that have the current (post-tax) parking deduction will see an increase in net (take home) pay. The following is an example for an employee whose annual salary is \$24,000, is married, and claims two federal and state exemptions:

	<u>Current</u>	<u>Pre-Tax</u>
Gross pay	1000.00	1000.00
Pre-tax parking deduction	<u>0.00</u>	<u>17.50</u>
Taxable income	1000.00	982.50
FICA	76.50	75.16
Federal Income Tax	75.28	72.65
State Income Tax	36.95	35.94
Parking	<u>17.50</u>	<u>0</u>
NET PAY	793.77	798.75
Difference		4.98
Savings in one year		119.52

This equates to saving the cost of over 3 months of parking fees.



SALARY REDUCTION AGREEMENT FOR PRE-TAX PARKING FEE PROGRAM CODE 132(f)(4) ACCOUNTS

INSTRUCTIONS:

- To begin or terminate participation in the Pre-Tax Parking Fee Program check the appropriate box below
- Fill in the effective date of your participation (must be the 1st or 16th of the month following the next payday after form submission)
- Print your name and social security number, sign and date the form
- Submit the completed form to your payroll or human resources office

☐ Yes, I wish to participate in the Pre-Tax Parking Fee Program.

Begin my participation on _____ .
Mo day year

☐ I no longer wish to participate in the Pre-Tax Parking Fee Program.

Please terminate my participation effective _____ .
Mo day year

I understand that as of the paycheck dated _____ , my semi-monthly salary will be reduced by _____. I understand that this amount will change if there is a change in the DGS published parking fee rate. This agreement is legally binding and may not be terminated until I complete another Salary Reduction Agreement or my employment is terminated.

By: _____
Employee Signature

Employee Name (Please print)

Social Security Number

Date: _____